

Platzer, Swergold, Levine,  
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*Proposed Attorneys for Debtor*  
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Teresa Sadutto-Carley

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

INTERNATIONAL WEALTH TAX  
ADVISORS, LLC,

Debtor.

Chapter 11

Case No. 21-\_\_\_\_\_

**AFFIDAVIT PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK     )  
                                      )ss.:  
COUNTY OF QUEENS     )

JACK R. BRISTER, being duly sworn deposes and says:

1. I am the Manager of International Wealth Tax Advisors, LLC (the “**Debtor**”) and am fully familiar with the Debtor’s business, financial information, and the facts set forth herein. I have been duly authorized to submit this affidavit which is hereby submitted in accordance with Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York.

2. On January 11, 2021 (the “**Petition Date**”), the Debtor filed a voluntary chapter 11 bankruptcy case under subchapter V with the U.S. Bankruptcy Court for the Southern District of New York.

3. The Debtor is an accounting business providing specialized international tax services to its clients. Prior to the filing of the instant bankruptcy case, the Debtor was a

plaintiff/counterclaim-defendant in a litigation entitled *International Wealth Tax Advisors, LLC et al. v. Alicea Castellanos*, with the Court of Chancery of the State of Delaware, Index No. 2019-0168-JTL (“State Court Litigation”). On or about September 2, 2020, Judgment was entered against the Debtor in the State Court Litigation for the approximate sum of \$953,000.00 (the “Judgment”). The Judgment was thereafter docketed with the Supreme Court for the State of New York, County of Kings, Index No. 523185/2020. The Defendant proceeded forward with the enforcement of the Judgment and restrained all of the Debtor’s bank accounts including its operating and payroll accounts. The Debtor attempted to negotiate a resolution of this matter with the Defendant, however said negotiations failed. The Debtor was unable to continue to operate its business without access to the proceeds in its bank accounts and accordingly, the Debtor filed the instant bankruptcy case to preserve its business.

4. No prior case has been commenced by or against the Debtor under Chapter 7 or 11 of the Bankruptcy Code.

5. A list of the Debtor’s twenty (20) largest unsecured creditors is attached hereto as **Schedule “1”**.

6. Attached hereto as **Schedule “2”** is a list of the Debtor’s five largest secured creditors including the amounts of the claim, a brief description, and an estimate of the value securing the claim, and indication of whether or not the claim or lien is disputed.

7. A summary of the Debtor’s assets and liabilities as of November 30, 2020 is attached hereto as **Schedule “3”**.

8. The Debtor has no securities that are publicly held, the Debtor is a privately held limited liability company.

9. At this time, there is a restraint on the Debtor's business operating and payroll accounts located at City National Bank, 400 Park Avenue, New York, New York and TD Bank, N.A., 2131 46<sup>th</sup> Avenue, Long Island City, New York 11101. Other than as set forth herein, no other property of the Debtor is currently in the possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, or secured creditor, or agent for any such entity.

10. The Debtor does not own any real property.

11. The Debtor leases its premises at 271 Madison Avenue, Suite 804, New York, New York 10016 (the "Premises") from 271 Madison Co. & 220 Fourth Co. and the monthly rent with respect to the Premises is approximately \$8,818.69 per month.

12. The Debtor's office equipment and computer equipment is located at the Premises. The Debtor has no inventory.

13. The Debtor's books and records are maintained electronically on QuickBooks' cloud based servicing.

14. The Debtor does not have any assets outside of the United States.

15. Attached hereto as **Schedule "4"** is a list of all actions or proceedings pending against the Debtor or its property.

16. The following individuals comprise the Debtor's existing senior management: Jack Brister, Manager.

17. It is estimated that the amount of payroll to employees (exclusive of officers, directors, stockholders, and partners) for the thirty (30) day period following the filing of the Chapter 11 petition is \$12,584.00.

18. The amount proposed to be paid for services for the thirty (30) day period following the filing of the Chapter 11 petition to any officers, directors, stockholders, members or business consultants is \$31,000.00.

19. Attached hereto as **Schedule "5"** is the Debtor's 30-day Budget.

/s/ Jack R. Brister

JACK R. BRISTER

Sworn to before me this  
11<sup>th</sup> day of January, 2021

/s/ Tyler J. Hesse

NOTARY PUBLIC, STATE OF NEW YORK

No. 01HE6331389

Qualified in New York County

Certificate Filed in New York County

Commission Expires April 3, 2024

## SCHEDULE 1

Fill in this information to identify the case

Debtor name International Wealth Tax Advisors, LLC  
 United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
 Case number (if known): \_\_\_\_\_

☐ Check if this is an  
 amended filing

## Official Form 204

### Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Alicea Castellanos c/o Law Office of Daniel Sully 241 86th Street Brooklyn, NY 11209		Judgment	Disputed			\$1,031,773.03
Prager Metis CPAs LLC 14 Pennsylvania Plaza Suite 1800 New York, NY 10122		Settlement Agreement				\$203,200.00
City National Bank 400 Park Avenue New York, NY 10022		Loan				\$97,500.00
Richards, Layton & Finger PA 920 North King Street Wilmington, DE 19801		Legal Fees				\$88,353.65
271 Madison Co & 220 Fourth Co 271 Madison Avenue New York, NY 10016		Rent				\$61,959.45
Bank of America P.O. Box 15796 Wilmington, DE 19886		Credit Card				\$17,391.24
Greenbaum Rowe Smith & Davis P.O. Box 5600 Woodbridge, NJ 07095		Legal Fees				\$8,956.46
KarmaCom 300 Cadman Plaza W. 12th Floor Brooklyn, NY 11201		Vendor				\$3,750.00

Debtor International Wealth Tax Advisors, LLC

Case number (if known) \_\_\_\_\_

Name

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
William Max & Co. 105 Douglass Street Brooklyn, NY 11231		Vendor				\$1,268.75
Verizon P.O. Box 489 Newark, NJ 07101		Vendor				\$249.73
WB Mason 59 Centre Street Brockton, MA		Vendor				\$74.00
Staples 500 Staples Drive Framingham, MA 01702		Vendor				\$57.00

## **SCHEDULE 2**

### **LIST OF CREDITORS HOLDING 5 LARGEST SECURED CLAIMS**

<b><u>CLAIMANT</u></b>	<b><u>CLAIM AMOUNT</u></b>
JPMorgan Chase Bank, N.A. 51 West 51 <sup>st</sup> Street New York, NY 10019 Attn: Business Banking	\$90,514.14



### SCHEDULE 3

# International Wealth Tax Advisors, LLC

## BALANCE SHEET

As of November 30, 2020

	TOTAL		
	AS OF NOV 30, 2020	AS OF OCT 31, 2020 (PP)	% CHANGE
<b>ASSETS</b>			
Current Assets			
Bank Accounts			
10000 BOA Checking 5714	0.00	0.00	
10100 BOA Checking 5743	0.00	0.00	
10200 BOA Savings 5701	0.00	0.00	
13100 Chase Operating Account #7166	0.00	0.00	
13200 Chase Payroll Account #9006	0.00	0.00	
City National Checking 4070	3,034.70	65,484.15	-95.37 %
City National Payroll 4097	74,066.44	51,653.31	43.39 %
<b>Total Bank Accounts</b>	<b>\$77,101.14</b>	<b>\$117,137.46</b>	<b>-34.18 %</b>
Accounts Receivable			
11000 Accounts Receivable	0.00	0.00	
11100 WIP	0.00	0.00	
<b>Total 11000 Accounts Receivable</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Accounts Receivable</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00 %</b>
Other Current Assets			
12100 Prepaid Expenses	0.00	0.00	
12200 Loans To Shareholder - Jack	47,445.14	39,296.41	20.74 %
<b>Total Other Current Assets</b>	<b>\$47,445.14</b>	<b>\$39,296.41</b>	<b>20.74 %</b>
<b>Total Current Assets</b>	<b>\$124,546.28</b>	<b>\$156,433.87</b>	<b>-20.38 %</b>
Fixed Assets			
12000 Computer	27,830.32	27,830.32	0.00 %
13000 Software	5,771.70	5,219.66	10.58 %
14000 Equipment	7,354.67	7,354.67	0.00 %
14050 Accumulated Depreciation	-59,308.62	-59,308.62	0.00 %
14600 Furniture	24,567.01	24,567.01	0.00 %
14700 Tenant Improvement	8,746.38	8,746.38	0.00 %
<b>Total Fixed Assets</b>	<b>\$14,961.46</b>	<b>\$14,409.42</b>	<b>3.83 %</b>
Other Assets			
15000 Security Deposit	40,883.95	40,883.95	0.00 %
16000 Organizational & Startup Costs			
16050 Organizational Costs	434.05	434.05	0.00 %
16100 Startup Costs	4,322.58	4,322.58	0.00 %
16200 Accumulated Amortization	-1,479.00	-1,479.00	0.00 %
<b>Total 16000 Organizational &amp; Startup Costs</b>	<b>3,277.63</b>	<b>3,277.63</b>	<b>0.00 %</b>
<b>Total Other Assets</b>	<b>\$44,161.58</b>	<b>\$44,161.58</b>	<b>0.00 %</b>
<b>TOTAL ASSETS</b>	<b>\$183,669.32</b>	<b>\$215,004.87</b>	<b>-14.57 %</b>

# International Wealth Tax Advisors, LLC

## BALANCE SHEET

As of November 30, 2020

	TOTAL		
	AS OF NOV 30, 2020	AS OF OCT 31, 2020 (PP)	% CHANGE
<b>LIABILITIES AND EQUITY</b>			
Liabilities			
Current Liabilities			
Credit Cards			
20000 BOA Corporate Credit Card - 6296	-4,009.20	-2,764.65	-45.02 %
21000 Jack Brister Credit Card -4756	22,653.08	22,653.08	0.00 %
22000 Alicea Castellanos Credit Card - 1033	0.00	0.00	
23000 Abdulai Aidoo Credit Card -7082	0.00	0.00	
24000 Fitzberg Mensah Credit Card - 4896	0.00	0.00	
25000 Trang Q Do, Credit Card -1051	0.00	0.00	
26000 Shi Yu Pan, Credit Card - 1328	0.00	0.00	
27000 Mei Ting Wong Credit Card - 2434	0.00	0.00	
28000 Anna Sokol Credit Card -2667	0.00	0.00	
29000 Yong Change Chen Credit Card - 3142	0.00	0.00	
29050 Gustavo Sabogal Credit Card - 4514	0.00	0.00	
<b>Total 20000 BOA Corporate Credit Card - 6296</b>	<b>18,643.88</b>	<b>19,888.43</b>	<b>-6.26 %</b>
29300 American Express Credit Card	0.00	15,448.50	-100.00 %
<b>Total Credit Cards</b>	<b>\$18,643.88</b>	<b>\$35,336.93</b>	<b>-47.24 %</b>
Other Current Liabilities			
30000 Net Pay Checks	0.00	0.00	
30100 Payroll Liability	0.00	0.00	
30200 PPP Loan	97,448.00	97,448.00	0.00 %
31000 Payroll Tax Payable	0.00	0.00	
31070 Garnishment Payable	0.00	0.00	
31080 Chase LOC #8002	89,584.65	89,033.05	0.62 %
31090 Tenant Security Deposit	5,500.00	5,500.00	0.00 %
<b>Total Other Current Liabilities</b>	<b>\$192,532.65</b>	<b>\$191,981.05</b>	<b>0.29 %</b>
<b>Total Current Liabilities</b>	<b>\$211,176.53</b>	<b>\$227,317.98</b>	<b>-7.10 %</b>
Long-Term Liabilities			
32000 Member Notes Payable - Jack Brister	106,463.37	106,463.37	0.00 %
32100 Principle Repayment	-100,685.00	-100,685.00	0.00 %
<b>Total Long-Term Liabilities</b>	<b>\$5,778.37</b>	<b>\$5,778.37</b>	<b>0.00 %</b>
<b>Total Liabilities</b>	<b>\$216,954.90</b>	<b>\$233,096.35</b>	<b>-6.92 %</b>
Equity			
43000 Retained Earnings	-72,333.60	-72,333.60	0.00 %
Net Income	39,048.02	54,242.12	-28.01 %
<b>Total Equity</b>	<b>\$ -33,285.58</b>	<b>\$ -18,091.48</b>	<b>-83.98 %</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$183,669.32</b>	<b>\$215,004.87</b>	<b>-14.57 %</b>

**SCHEDULE 4**

**Pending Litigation**

**NONE**

## **Schedule 5**

**International Wealth Tax Advisors**  
**Projected Expenditures**  
**Est 30 Day Budget**

<u>Expense Item</u>	<u>Est. 4 Week Bdg</u>
<u>Office Operations</u>	
Telephone	650.00
Office rent	9,000.00
Bank charges (WT and client cc acceptance fees)	2,500.00
Memorandum of Agreement	-
Chase Line of Credit	1,500.00
Marketing / Business development Consultant	4,500.00
Technology (computer, software & internet services)	4,500.00
CPE (continuing professional education)	500.00
Insurance (E&O, health, life, disability & office)	1,500.00
Legal fees paid	-
Travel	-
Gross wages, p/r taxes & benefits	44,500.00
Licenses, taxes & other	9,500.00
Total 4 Week Operations	78,650